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EXCISE

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ACTION EAP-01INFO LOG-00 ADS-00 AIT-03 CIAE-00 COME-00 CTME-00 EB-01
HA-09 INRE-00 INR-02 LAB-04 NSAE-00 OPM-01 SIL-01
STR-18 TRSE-00 /040W
-----45FF4D 252230Z /66R 250901Z FEB 91
FM AMCONSUL GUANGZHOU
TO SECSTATE WASHDC 7081
INFO RUEHBJ/AMEMBASSY BEIJING
AMCONSUL SHANGHAI
AMCONSUL SHENYANG
AMCONSUL HONG KONG
AIT TAIPEI 0767DEPARTMENT OF STATE
() RELEASE () DECLASSIFY NM/IPS/CR/TR Date: 3/19/96
() EXCISE () DECLASSIFY EO Citations
() DENY IN PARTFOIA Exemptions B1, B6 TS authority to
PA Exemptions () CLASSIFY as () S or () C Sec. ()
() DOWNGRADE TS to () S or () C

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BEIJING PLEASE PASS CHENGDU

E.O. 12356: DECL:OADR
TAGS: PHUM, ELAB, ETRD, CH
SUBJECT: CHINESE PRISON PRODUCTS EXPORTED TO THE U.S.
REFS: A) GUANGZHOU 84, B) HONG KONG 1622
1. CONFIDENTIAL - ENTIRE TEXT.
2. SUMMARY. CONSULATE OFFICERS VISITED THE SITE
WHERE PREVIOUS REPORTS SUGGEST A CHINESE
PRISON IS MANUFACTURING SHOES FOR EXPORT
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(THROUGH HONG KONG) TO THE U.S. WHILE NOT
ALLOWED ENTRY INTO THE "FACTORY," THE
OFFICERS GOT CLOSE ENOUGH TO VERIFY, BY
TALKING TO AN ARMED GUARD, SHOES ARE
BEING MANUFACTURED AT THE SITE. THE
APPEARANCE OF THE BUILDING ALSO SUGGESTED IT
WAS NOT A NORMAL FACTORY. BASED UPON THIS
AND OTHER EVIDENCE, WE BELIEVE THIS LOCATION
IS A PRISON MANUFACTURING PRODUCTS WHICH
ARE EXPORTED TO THE U.S. END SUMMARY.3. TWO CONSULATE OFFICERS ON SUNDAY,
FEBRUARY 24, VISITED THE GUANGZHOU
SITE OF THE "FACTORY" DESCRIBED IN REFS
A AND B AS A PRISON MAKING SHOES FOR

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EXPORT TO HONG KONG AND THE U.S. THE NAME OF THE FACTORY IS THE "FLOWER CITY LEATHER SHOE FACTORY" (HUACHENG PIXIE CHANG). IT IS LOCATED AT NO. 14 NANJING ROAD NEARBY THE WORKERS' STADIUM AND ONLY A FEW MILES FROM THE CONSULATE. THE SITE IS A COMPOUND WITHIN A COMPOUND. ON THE FIRST GATE, WHICH IS NOT GUARDED, IS A SIGN WITH THE FACTORY'S NAME IN LARGE CHARACTERS. THE SECOND GATE WAS GUARDED AND APPEARED SECURE. IT WAS A FEW HUNDRED FEET WITHIN THE COMPOUND.

4. THE CONSULATE OFFICERS TALKED WITH A SOLDIER STANDING GUARD WITHIN THE COMPOUND. HE WAS CARRYING AN AUTOMATIC WEAPON. WITHOUT ANY PROMPTING, HE VOLUNTEERED THE INFORMATION

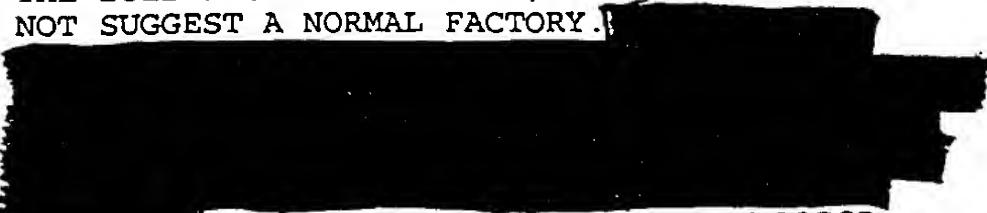
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THE "FACTORY" INSIDE THE COMPOUND HAS A "FOREIGN" CONCERN WHICH MANUFACTURED SHOES. DURING THIS BRIEF CONVERSATION, AN OFF-DUTY MILITARY OFFICER WALKED UP AND TOLD THE CONSULATE OFFICERS THEY COULD GO NO FURTHER INTO THE COMPOUND.

5. COMMENT. THE CONSULATE OFFICERS GOT CLOSE ENOUGH TO THE "FACTORY" TO SEE THE MAIN BUILDING. WHILE THEY COULD NOT CONFIRM THE BUILDING WAS A PRISON, THE ENTRANCE DID NOT SUGGEST A NORMAL FACTORY.

B1
B6



THE FACTORY IS USING PRISON LABOR AND THE SHOES PRODUCED THERE ARE, IN PART, EXPORTED TO THE U.S. BASED UPON THE INFORMATION REPORTED IN REFS A AND B PLUS THE VISIT BY OUR OFFICERS, WE BELIEVE THIS LOCATION IS A PRISON MANUFACTURING PRODUCTS WHICH ARE EXPORTED TO THE U.S. END SUMMARY.

HARTER

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*** Current Handling Restrictions *** n/a
*** Current Classification *** CONFIDENTIAL